Increased Micro-Purchase Threshold for Supplies

22 November 2006

Authorization

- Federal Acquisition Circular (FAC) 2005-13 increases the micro-purchase threshold from $2,500 to $3,000 for purchase of supplies ONLY!

Maximum Single Purchase Limits for GPC Program

- Because of FAC 2005-13, the GPC Program now has three maximum single purchase limits:
  - $2,000 for construction
  - $2,500 for services
  - $3,000 for supplies

Clarification

- To help you identify whether your purchase is a supply, service, or construction requirement, review the definitions provided on the following slides.

Supply Definition

- **Supply:** All property except land or interest in land. Tangible, i.e., desks, chairs, paper, pencils, etc. (This should cover the majority of your GPC purchases.)

Service Definition

- **Service:** Directly engages the time and effort of a contractor whose primary purpose is to perform an identifiable task rather than to furnish an end item of supply. A service may be either a non-personal or personal. It can also cover services performed by either professional or non-professional personnel whether on an individual or organizational basis. Some of the areas in which service contracts are found include: maintenance, overhaul, repair, servicing, rehabilitation, salvage, modernization, or modification of supplies, systems, or equipment. Purchases shall not be processed to pay for performance of an inherently governmental function.

Service Definition (Cont'd)

- **Non-personal service:** The personnel rendering the services are not subject to the supervision and control usually prevailing in relationships between the Government and its employees.

Construction Definition

- **Construction:** Construction, alteration, or repair (including dredging, excavating, and painting) of buildings, structures, or other real property. For purposes of this definition, the terms “buildings, structures, or other real property” include, but are not limited to, improvements of all types, such as bridges, dams, plants, highways, parkways, streets, subways, tunnels, sewers, mains, power lines, cemeteries, pumping stations, railways, airport facilities, terminals, docks, piers, wharves, ways, lighthouses, buoys, jetties, breakwaters, levees, canals, and channels. Construction does not include the manufacture, production, furnishing, construction, alteration, repair, processing, or assembling of vessels, aircraft, or other kinds of personal property.

Construction Definition (Cont'd)

- **NOTE:** All construction requirements must be processed through your DPW Project Manager for approval. That approval must be in the GPC file. If the requirement exceeds $2,000, it must be submitted through Aquiline to the Fort Bragg Directorate of Contracting. Do not split it into small segments in order to use the GPC!

Procedure to Receive $3,000 SPL for Supply Purchases

- Currently appointed Cardholders (CHs) & Billing Officials (BOs) must complete training by reviewing these slides and printing certificate provided.
- Cdr/Dir will submit request w/tng certificates through budget analyst to increase CH's single purchase limit for supply purchases only to $3,000.
- If funds are available, the budget analyst will forward request to the Ft Bragg DOC.
- The GPC Program Coordinator will process the increase and provide an updated appointment memorandum to the CH & BO.

New GPC Personnel

- Effective immediately, any GPC cardholder requesting a new single purchase threshold increase attendees will receive training via these slides and in the GPC on-line Training.
- Activities will specify the supply single purchase amount in their request for each new cardholder account. If you do not specify $3,000 for supplies, your cardholder will be given the maximum single purchase limit of $2,500.

Warning!

- The spending limits for supplies ($3,000), services ($2,500) and construction ($2,000) are set by statutes and **will not be exceeded!**
- If a cardholder with the $3,000 supply limit uses their credit card for services over $2,500 or construction over $2,000, the single purchase limit for supplies will be reduced to $2,500.

Questions

- If you have questions regarding anything in this presentation, refer them to the Fort Bragg Government Purchase Card Team, at (910)396-4362.